

The Director of Central Intelligence

Washington, D.C. 20505

30 July 1981

MEMORANDUM FOR: The Honorable Edwin Meese II
Counsellor to the President
The White House

SUBJECT: Securities Investor Protection Corporation

CHAIRMAN'S OFFICE

RECEIVED

AUG 4 1981

SEC. & EXCH. COMM.

This is to alert you to the situation which prevailed with respect to the Securities Investor Protection Corporation (known as SIPIC) as of two weeks ago.

SIPIC was created by Federal statute towards the end of 1970 and was organized when I was at the SEC in 1971. It is a private corporation which guarantees the security accounts of investors. It is funded by premiums paid by security firms and is backed up by a billion dollar guarantee from the U.S. Government. For that reason the President nominates the directors and selects the president.

I believe it has worked very satisfactorily and has built up a reserve fund which has permitted a reduction or possibly an elimination of premiums.

For the last seven or eight years, Hugh Owens has been the Chairman and Chief Executive Officer by appointment of President Nixon. Owens served with me as a Commissioner at the SEC. I believe he served on the SEC longer than anybody else in its history. He is a splendid man, able, conscientious, of the highest integrity, and is universally acclaimed as such. His reputation among the securities fraternity at the SEC and in financial and investment circles across the country is of the highest.

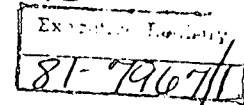
Jimmy Carter seems to have treated SIPIC in a bizarre way. Owens' term ran out a year and a half ago. The White House neglected to replace him or appoint a successor. Indeed, the terms of two or three of the other four directors were allowed to expire without replacement. This is something that should be addressed. I would urge that Hugh Owens be retained as Chairman and Chief Executive as long as he is willing to serve. The function of SIPIC is to move in and either liquidate or reorganize security firms which fail or are about to fail in order to protect the interests of the public investors who have accounts in those firms and in order to protect the billion dollar guarantee on which the government is still obligated. This is a highly specialized work and Hugh Owens is more experienced and has become more adept at it than anyone else.

Bill
William J. Casey

✓cc: Chairman, Securities & Exchange Commission



SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

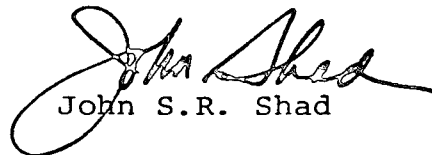


October 20, 1981

MEMORANDUM FOR: The Honorable Edwin Meese III
Counsellor to the President
The White House

SUBJECT: Securities Investor Protection Corporation

The SEC has oversight responsibility for SIPC. I would like to endorse William Casey's recommendation that Hugh Owens be retained as the Chairman and Chief Executive Officer of SIPC, for the reasons set forth in Bill's memo to you of July 30, a copy of which is attached.


John S.R. Shad

Attachment

cc: ✓ The Honorable William J. Casey

The Director Central Intelligence

Washington, D.C. 20505

2 November 1981

Dear Hugh,

The dates on these two pieces of paper show the pace at which wheels grind in our government. Has anything developed or is there anything that should now be done to give things a push?

Yours,

A handwritten signature in cursive script, appearing to read "Bill Casey".

William J. Casey

Enclosure

The Honorable Hugh F. Owens
Chairman, Securities Investor
Protection Corporation
Farragut Building
900 Seventeenth Street, N.W.
Washington, D.C. 20006